

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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**FISCAL IMPACT STATEMENT**

**LS 6904**

**BILL NUMBER:** HB 1700

**NOTE PREPARED:** Jan 13, 2007

**BILL AMENDED:**

**SUBJECT:** Property tax assessments.

**FIRST AUTHOR:** Rep. Smith M

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:**     **GENERAL**  
                              **DEDICATED**  
                              **FEDERAL**

**IMPACT:** Local

**Summary of Legislation:** This bill prohibits a township assessor from changing the assessed value of real property if an appeal of the assessed value of the property is filed for a prior year.

**Effective Date:** January 1, 2007 (retroactive).

**Explanation of State Expenditures:**

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:** This bill would prohibit a township assessor from changing the assessed value of real property, except to reflect annual adjustments (trending), if:

A prior year assessment is under appeal;

The year under appeal is the year of the most recent general reassessment or later; and

The physical characteristics and the use of the property have not changed.

While the appeal is pending, the bill would prohibit the assessment of real property that the assessor believes is undervalued but it would not prohibit the assessment of omitted property (or property that was not assessed at all).

This bill would keep the AV of real property from fluctuating during a reassessment cycle (except for trending adjustments) while an appeal is processed. The resulting fiscal impact, if any, is unknown at this

time. This fiscal note may be updated in the future.

**State Agencies Affected:**

**Local Agencies Affected:** Township assessors.

**Information Sources:**

**Fiscal Analyst:** Bob Sigalow, 317-232-9859.